Message Text

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ACTION EUR-12

INFO OCT-01 AF-06 ISO-00 IO-10 SAM-01 CIAE-00 DODE-00

PM-03 H-01 INR-07 L-02 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 USIA-06 EURE-00 AID-05 COME-00 EB-07

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P R 211703Z FEB 75 FM AMEMBASSY LISBON TO SECSTATE WASHDC PRIORITY 1831 INFO AMCONSUL LUANDA AMCONSUL LOURENCO MARQUES AMCONSUL OPORTO AMCONSUL PONTA DELGADA

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EO 11652: N/A TAGS: ECON, PO

SUBJ: INITIAL REACTIONS TO AND COMMENTS ON GOP'S ECONOMIC-

SOCIAL PROGRAM

REF: LISBON 981

- 1. INITIAL REACTIONS TO THE PROVISIONAL GOVERNMENT'S ECONOMIC AND SOCIAL PROGRAM (REFTEL) ARE GUARDED, WITH INTERESTED PARTIES DELAYING FULL ASSESSMENT UNTIL THEY HAVE HAD TIME TO SIFT THROUGH THE LENGTHY DOCUMENT.
- 2. THE CONFEDERATION OF PORTUGUESE INDUSTRY (CIP), FOR EXAMPLE, WHICH CLAIMS TO BE THE SPOKESMAN FOR MOST OF THE PRIVATE INDUSTRIAL SECTOR, WILL AT THIS POINT SAY ONLY THAT IT WELCOMES THE "RULES" OF THE PLAN THAT SUPPORT GOVERNMENT-BUSINESS COOPERATION AND PROVIDE FOR A "SANE ECONOMY." LIMITED OFFICIAL USE

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CIP, HOWEVER, HAS ANNOUNCED THAT IT WILL HOLD A PRESS CONFERENCE

FEBRUARY 25 ON THE PROGRAM. (GOP HAS SCHEDULED ITS OWN PRESS CONFERENCE FOR MONDAY, FEBRUARY 24.)

- 3. OUR PRELIMINARY SAMPLING OF INDIVIDUAL BUSINESSMEN SHOWS THEM TO BE CAUTIOUSLY OPTIMISTIC AND RELIEVED THAT NONE OF THE WORST RUMORS (E.G., NATIONALIZATION OF PRIVATE COMMERCIAL BANKS) HAS MATERIALIZED.
- 4. FEBRUARY 21 "O SECULO" PRINTED RESPONSES TO FIVE QUESTIONS ON THE PROGRAM IT POSED TO THE THREE PARTIES PARTICIPATING IN THE PROVISIONAL GOVERNMENT. THE QUESTIONS, IN ABREVIATED FORM, WERE: (A) COULD OTHER CRITERIA FOR ELABORATION OF THE PLAN HAVE BEEN SELECTED; (B) WHAT ARE THE MOST ORIGINAL SOLUTIONS OFFERED IN THE REALM OF ECONOMIC DEVELOPMENT; (C) ARE THE PROGRAM'S HIGH-LEVEL EMPLOYMENT AND ANTI-INFLATION POLICIES COMPATIBLE; (D) HOW CAN A CLIMATE PERMITTING EDUCATION AND HEALTH POLICIES ENUNCIATED IN PROGRAM BE CREATED; AND (E) WHAT PRIORITIES DOES YOUR PARTY ASSIGN TO THE SHROT-TERM MEASURES FORESEEN IN THE PROGRAM.
- 5. ALVARO CUNHAL FOR THE PCP AND JORGE CAMPINOS FOR THE PS RESPONDED TO ALL FIVE QUESTIONS, AND MAGALHAES MOTA FOR THE PPD RESPONDED TO ALL BUT QUESTION 3 (E). THESE ANSWERS, NOT VERY INSTRUCTIVE IN THEMSELVES, ARE NOTEWORTHY MORE FOR THEIR SIMILARITIES THAN FOR THEIR DIFFERENCES. ALL THREE, FOR EXAMPLE, ON SOMEWHAT DIFFERENT GROUNDS REJECT THE IDEA THAT OTHER CRITERIA FOR THE PLAN WOULD HAVE BEEN BETTER. NONE SEEKS TO MAKE A REAL CASE THAT ANY OF THE SOLUTIONS PROPOSED BY THE PROGRAM ARE ORIGINAL, AND ALL THREE DUCK OR FUDGE ON THE ANSWER AS TO WHAT THE PRIORITY ORDERING OF SHORT-TERM MEASURES SPECIFIED IN THE PROGRAM SHOULD BE (PCP JUST NOTES EXAMPLES WHERE PCP'S AND PLAN'S POLICIES COINCIDE: PS SAYS SHORT-TERM MEASURES FORM A WHOLE WHICH CANNOT BE SEPARATED INTO PRIORITIES: AND PPD DOES NOT ANSWER AT ALL). AS FOR THE DIFFICULTY OF PURSUING ANTI-INFLATIONARY AND HIGH-EMPLOYMENT POLICIES AT THE SAME TIME, ALL THREE ACKNOWLEDGE THIS IS SO BUT DO NOT DIRECTLY ANSWER THE QUESTION WHETHER THE POLICIES IN THE PLAN ON THESE TWO ISSUES ARE RECONCILABLE.
- 6. COMMENT: THE "O SECULO" RESPONSES ARE EVIDENCE (A) THAT LIMITED OFFICIAL USE

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THE THREE GOVERNMENT PARTIES WANT TO GIVE IMPRESSION THAT THEY HAVE PAPERED OVER THE DIFFERENCES THAT SEPARATED THEM DURING THE FORMULATION OF THE PROGRAM AND DELAYED ITS PUBLICATION AND (B) THAT THEY HAVE ACHIEVED SOME SOLIDARITY, AT LEAST ON PAPER, IN SUPPORT OF THE FINISHED VERSION. CARLUCCI

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TAGS: ECON, PO To: STATE

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